

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2810 – HB 3069

February 16, 2010

SUMMARY OF BILL: Authorizes Shelby County to convey property acquired through a delinquent tax sale to a nonprofit community development corporation (NCDC) in lieu of a sale to private purchasers. Exempts NCDCs from back-taxes and penalties for such property.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Not Significant

Decrease Local Revenue –\$3,400/Permissive

Assumptions:

- According to the Comptroller of the Treasury, 23 properties (20 residential and 3 commercial) were sold to NCDCs in 2009. Shelby County will sell 23 properties to NCDCs in 2010 and each subsequent year.
- The total appraised value of the 20 residential units was \$74,000. Residential properties are assessed at 25% of the appraised value. The total assessed value of the 20 residential units was \$18,500.
- The total appraised value of three commercial units was \$72,400. Commercial properties are assessed at 40% of the appraised value. The total assessed value of the three commercial properties was \$28,960.
- The combined tax rate for Shelby County and Memphis is \$7.2157 per \$100 of assessed value resulting in a recurring decrease to local revenue estimated to be \$3,400 $[(\$47,460 / 100) \times \$7.2157]$.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/agl